

THE DRUG TRAFFICKING SYSTEM

Interdiction seeks to prevent or disrupt the transport of drugs (chiefly marijuana, cocaine, and heroin) into the United States. The international illegal drug trafficking system has four components. The first consists of production and processing in foreign countries. The second involves the transportation system that moves the drugs from foreign source countries to and across the borders of the United States. The third component consists of the domestic distribution and marketing system. And the fourth and final component involves the recycling of drug monies out of the United States. Following is a description of each of these components as it relates to the three drugs of concern.

Production and Processing

Marijuana

Foreign countries provided about 10,000 metric tons (about 80 percent) of the marijuana consumed in the United States in 1985, with Colombia and Mexico each supplying about one-third. Jamaica and Belize supplies are substantially smaller, but they remain significant. The cannabis that is the source of marijuana can apparently be grown in almost any country, thus the proportion of marijuana coming from any specific country changes in any given year and is primarily a reflection of established production and marketing capabilities, weather conditions, local eradication programs, and interdiction efforts. Potential sources of supply appear to be nearly unlimited. Some believe Mexico will soon become the leading U.S. supplier. Domestic U.S. cultivation could supplant imports even more if it were lower cost and less risky. Some believe the trend to more domestic production is already occurring, although eradication and other control efforts are also underway.

Cocaine

Based on estimates of the number of hectares of coca cultivated, Peru ranks at the top of the list of coca producers with approximately 70,000 hectares (1 hectare = 2.47 acres). Bolivia is next with 30,000 to 38,000 hectares. Colombia is third with 15,000 to 17,000 hectares, with Brazil and Ecuador having small-scale cultivation. Colombia continues to dominate the final stage processing of cocaine and

is the major export point to the United States. As government efforts to find and destroy processing facilities increased in Colombia and more recently in Bolivia, processing laboratories have been established elsewhere.

Heroin

Estimates are that the U.S. heroin market was supplied in 1985 as follows: Southwest Asia, 47 percent; Mexico, 39 percent; and Southeast Asia, 14 percent. A form of Mexican heroin, "black tar," appears to be taking a growing share of the U.S. market.

U.S. efforts to deal with the drug problem in the source countries involves a two-pronged approach. First, the United States has drug eradication agreements with 14 foreign countries, up from two in 1982. Under these programs the United States supplies funds and expertise to support source country efforts aimed at eradicating cannabis, coca, and opium poppies and processing facilities. Second, Drug Enforcement Administration agents support local efforts to identify and prosecute the individuals in source countries responsible for the drug traffic. The availability of other U.S. aid is sometimes linked to foreign cooperation in these efforts. The goal is to disrupt the organizational and management networks that feed the U.S. drug market.

Transport

The second component of the international drug trafficking system, transport to the United States, is the primary focus of this study. This system will be described in detail later. Transportation activities of concern are those which pick up drugs at the export point in a foreign country and deliver them to the domestic distribution marketing system in the United States. As will become clear in what follows, the transportation system is large, diverse, well-equipped, and flexible.

Domestic Distribution and Marketing

The third component of the trafficking system is the domestic distribution and marketing network. These activities are divided among distributors who receive drugs from the smugglers, wholesalers, and

retailers. OTA has not investigated this area and therefore cannot provide a confident description of the domestic distribution and marketing network. In some areas distribution and wholesaling is controlled by organized crime networks. In other areas there appear to be competing distributors and wholesalers. The link between smugglers, distributors, and wholesalers appears to be relatively well established, given the quantities of drugs being moved into the retail market. The network for marketing marijuana has expanded to a point where it is readily available in almost all areas of the United States. Similarly, the broad availability of cocaine suggests that its distribution and marketing system is beginning to parallel that of marijuana.

Efforts to prevent or disrupt domestic distribution and marketing are divided among Federal, State, and local authorities. Federal responsibilities are primarily directed at the smugglers and distributors. State and local responsibilities are primarily directed at the wholesalers and retailers. Domestic drug enforcement efforts include arrest and conviction of major drug distributors and wholesalers, seizure of drugs in domestic transport, arrest and conviction of drug retailers or pushers, and seizures of their assets. In addition, increasing efforts, primarily carried out at the local level, are focused on education programs aimed at existing and potential drug users with the goal of significantly reducing the market for drugs.

Recycling Revenues

The fourth and final component of the drug system involves the recycling of monies from the sale of drugs. The domestic drug wholesale and retail economy runs on cash. It is a multi-billion-dollar economy carried on with limited recourse to checks or credit cards, where the primary currency is \$100 bills. Thus, the drug system must launder and transport huge amounts of currency, the ultimate need being to move large portions of those revenues out of the United States to support the production, processing, and transport of drugs and to return profits to the bosses of the trade.

Efforts to disrupt the cash flow of drug monies include financial reporting requirements for large banking transactions and U.S. Customs' efforts to detect outgoing currency at ports of entry.

Noninterdiction Options

Although this study did not investigate or seek to weigh the relative benefits of focusing drug law enforcement activities on the three nontransportation components of the system, any informed national policy must carefully weigh the costs and benefits of actions against these components vis-a-vis expenditures on activities aimed at the transportation component. More than 50 percent of Federal expenditures on drug law enforcement go to the interdiction activities, but it is by no means certain that this is the component of the system where the Nation gets the largest multiplier effect from given expenditures or given levels of effort.

On the other hand, some interdiction expenditures also benefit other elements. For example, a successful interdiction could yield evidence or other leads that save substantial investigation time. Also, some sensors provide both support for investigations and general data for international threat assessments and related options.

A few brief examples of noninterdiction options may be in order. Some have suggested that greater emphasis on reducing supply in producing countries would have a high pay-off. An example often cited to support control of supply is the successful program which essentially eliminated the illicit production of poppies in Turkey. Others, however, draw just the opposite conclusion. They agree that programs of eradication and control have been successful but the longer term result is usually to move production into other areas.

In addition, many, including DEA, contend that the investigation and prosecution of major traffickers and their organizations, and the seizure and forfeiture of their drug-related assets, have the most impact on disrupting drug traffic. DEA claims that their major investigations are usually the results of DEA or Task Force efforts—not a followup to a seizure at the border.

Many people interviewed in connection with this study believe that, given a high, continuing demand for drugs and the large profits associated with the illegal importation of drugs, the prospect of interdiction ever preventing or significantly limiting drug availability is doomed to frustration. Those who take this position often suggest that the highest payoff would come from education programs

or treatment programs that aim to reduce the demand for drugs. This point of view seems to be suggested by the current Administration campaign to “say no to drugs.

Finally, some of those interviewed suggest high payoff from focusing major attention on disrupting the recycling of revenues from drug sales. This point of view rests on the belief that tracking and seizing illegal drug profits cuts off the motivation for trafficking.

It should be noted that OTA found no one who argues that a single component of the drug system should receive all or even a majority of the attention to the exclusion of other components. Rather, the policy issue concerns the relative priorities, and therefore how resources should be allocated to various components. However, this allocation issue is beyond the scope of this study. The study focuses on strengths and weaknesses of interdiction efforts.